Sense 78
A Communications, Marketing and Design Publication of Lippincott & Margulies, Inc.

Retail Power

A new marketing communications thrust by select retailers, big and small, is paving the way to improved image and profits.

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This is an unusual issue of Sense. The concepts and case histories of Lippincott & Margulies clients that are touched upon here presage communications developments that will dramatically alter the competitive battle in the retail marketplace.

Retailing, as is true in other businesses, is peopled with tunnel gazers—those who stare down specific channels of their own areas of skill to the exclusion of a concern about overall objectives. It is dominated by operations-oriented thinking. In one sense, advertising is to blame.

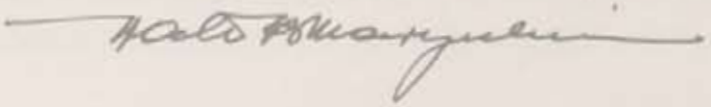
By doing such a good job, it has become in many instances the only major communicative element relied upon by retail management. Advertising is, of course, a vital link within the communications spectrum. However, it is still only one medium, albeit powerful, in a Total Communications mix.

By total, we mean literally every visual and verbal element that delivers an impression—from distinctive nomenclature to exciting interiors to compelling signage to creative advertising, to structures that avoid the "mansard-roof syndrome," to employee uniforms that make a significant statement about the wearer. It includes communications consistent in terms of message and graphics, in which no color, configuration or concept is created without first answering the question: *Does it significantly contribute to the marketing goal?*

The problem with existing retail communications practices is that most identity elements are created piecemeal. Different experts such as interior designers, uniform specialists, architects, graphic designers, nomenclature specialists, traffic analysts, packaging consultants, sign companies, and others, are called in at different times with little or no master marketing strategy to follow, and are expected to create a cohesive retail stance. What happens, of course, is complete fragmentation, with the retailer the ultimate loser.

We believe that the effective integration of individual identity elements into a Total Communications plan is a necessary strategy. Those retailers who are taking this course now will be the ones to reap the major benefits in image and profits over the years to come.

As always, we are interested in any observations or comments you might have.



Bonimart

A Dual Ethnic Identity for a Major Canadian Merchandiser

When Oshawa Wholesale Ltd. came to Lippincott & Margulies several years ago, it was a leading wholesaler and retailer in the Canadian market with sales approaching $1 billion. Founded as a wholesaler to IGA stores in Canada, it had expanded into a variety of retail activities that encompassed supermarkets, drug stores, gas stations, and other outlets.

The number of separate retail identities under which it operated were considerable, with names including IGA, Shop & Save, Kent Drugs, Towers, Food City, Bolands, Miniprix, Coinamatic and Langs. These many retail entities, plus an overall corporate image that was wholesale-oriented to the outside world, provided a number of identification problems that needed attention.

Following a thorough investigation, Lippincott & Margulies made a number of recommendations to Oshawa Wholesale. First was to eliminate the word, Wholesale, from the corporate name—and thereby correct a misleading impression. The company's name is now The Oshawa Group Ltd.

Another recommendation was to develop a cohesive retail identity based on a name or names system that would have the flexibility to encompass, when needed, the many retail identities now in use.

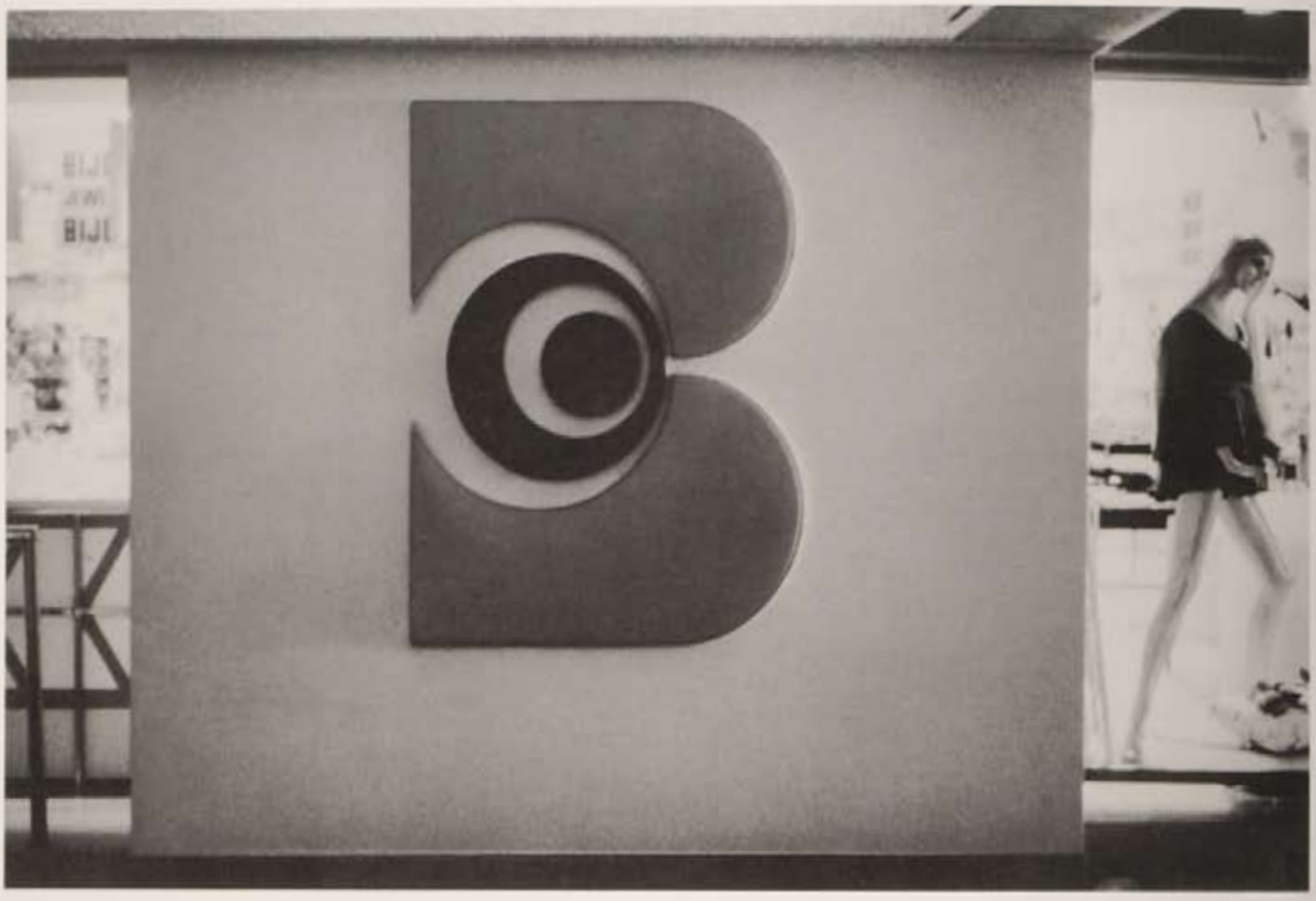
In developing a new, umbrella identity, particular attention was paid to the fact that Canada has dual ethnic cultures. Any identity that did not

Diverse retail identities were combined into one cohesive identity, *Bonimart*, that functions equally in French and English.

address the needs of both its English- and French-speaking peoples would have a problem.

Following image criteria thus established, a new retail identity was finally developed: *Bonimart*. The name is unique in that it has meaning in both French and English and relates equally to both cultures. Many portions of Oshawa's retail food and merchandise activities were moved under this umbrella.

But the new name offered additional flexibility. "Boni," the pivotal syllable, could be used as the base for other identities. Thus, a substantial number of food markets operating under the Miniprix and IGA names were converted to *Boniprix*. Oshawa's convenience store chain is now being called *Bonisoir*, and a number of controlled-line stores featuring a limited range of dry grocery items have opened under the name, *Boni*. Oshawa Group now has a flexible retail identification system that can be used, depending on



marketing objectives, to encompass its many areas of retail activity. Lippincott & Margulies then embarked on the task of creating a distinctive graphic stance for both the corporation and its new retail entity. As it related to Bonimart, the requirements were that it must be highly visible but still tasteful, that it must reflect the attributes of a "Boni" or "good" market, and that it must be visually adaptable to a wide range of retail activity. In developing the new system, it was determined that there should be one primary focus of attention, and this resulted in the distinctive "B" now used in the name.

Criteria for the new corporate stance called for a subtle link with the retail identity. Thus, within the "O" of the Oshawa name can be seen a graphic rendition that is very similar to the circle within the "B" in Bonimart. Color and secondary typography are also the same.

Today, The Oshawa Group Ltd. has passed $1 billion in sales and continues to grow rapidly, becoming not only one of the leading companies of Canada, but a leading company in the world.

A subtle design linkage was created between the corporate parent and its new retail entity.

ServiStar

A New Communicative Stance for a Leading Hardware Cooperative

American Hardware, headquartered in Butler, Pennsylvania, is a purchasing cooperative for retail hardware dealers and dealers in lumber and building supplies—with some 2,700 independent members. Initially created as a buying organization to "stock, break and ship," it grew to offer a full range of dealer services, including accounting, advertising, promotion and pricing.

American Hardware management realized that a significant opportunity now existed to create a strong, unified identity among its independent dealers. Heretofore, each dealer had promoted his own separate and individual identity, only occasionally under the American Hardware umbrella. Among the advantages inherent in a unified identity would be a more aggressive competitive stance, and new efficiencies in other communicative channels, such as advertising and promotion—and private-label marketing.

When Lippincott & Margulies was called in to assess the situation, the market had changed dramatically. The traditional hardware store faced tough competition. New and powerful retailers had moved aggressively to capture a sizeable share of the hardware business. Mass merchandisers, variety stores, drug chains and others were becoming more competitive. In this volatile and expanding market, new strategies were needed to build volume and sales impact.

The new identity emphasizes the service orientation of American Hardware dealers.

The various competencies of American Hardware dealers were carefully reviewed, particularly their role as "inventory specialists" and, more importantly, their strong *service* orientation. These were characteristics that could meaningfully and distinctively position them apart from their competitors, particularly the big chain retailers. Many customers relied upon the traditional helpfulness of the independent dealer. It would be important to communicate this positive service orientation effectively.

Problems in marketing the American Hardware name to consumers became apparent. The word, American, is a well-known and reliable name, but hardly distinctive. And the word, Hardware, was too limiting, especially for those participating retailers who had developed complete home and garden centers, or had building supply and lumber capabilities.

Above, exterior signage, before and after. *Facing*, new private-label packaging for the ServiStar identity.

A new name would have to function as an identity medium over a variety of retail outlets, each different, and allow an appropriate linkage with each dealer's individual identity. Additionally, it had to encompass a private-label packaging system and be effective on a variety of sales promotion elements. Lippincott & Margulies established comprehensive criteria for a new retail identification stance, and a new name was created: *ServiStar*.

A graphics system was then developed to tie the entire program together and provide a unified visual presentation. The former colors of red, white and blue were retained, but a considerably more contemporary identification system was created that could function well for exterior signage and store interiors. Other aspects of the program included a new interior identification system, private-label packaging, vehicles, exterior signage,

re-layout of some merchandise areas, employee uniforms and identification, and advertising and sales promotion formats.

The ServiStar program has been implemented in a number of test stores. According to John Berryman, general manager of American Hardware, the program is already proving to be a success. The response from both dealers and customers has been enthusiastic.

In addition to establishing a much more visible and competitive stance, one of the future and growth-oriented aspects of the project is that American Hardware with its ServiStar umbrella identity now has a cohesive, coordinated communications package that it can offer to other hardware dealer prospects as an added inducement to join the cooperative.

Smaller retailers also reassess their communications

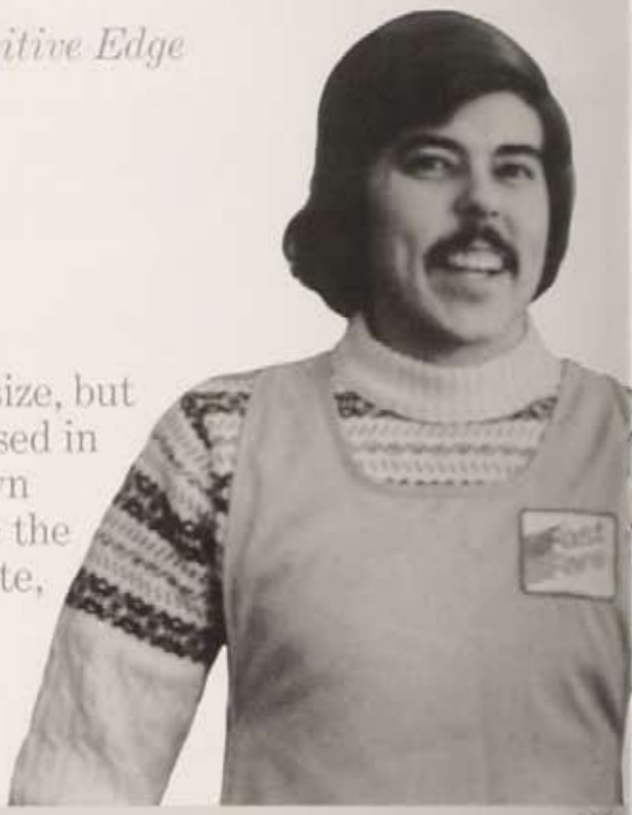
While it is often assumed that a major communications program is the prerogative only of large retail chains, a number of smaller, innovative retailers are also using the Total Communications concept to good advantage. On the pages that follow, two of them, one a convenience store chain and the other a fast-food retailer, demonstrate the benefits that can accrue from a carefully planned communications strategy.

The concept of Total Communications is particularly relevant for the smaller retailer who is always at a disadvantage when competing with large chains. He simply cannot match their advertising and promotion dollars. Therefore, he must *maximize* every communicative opportunity, in literally every visual and verbal expression of his operation, to make a positive and appealing statement in a planned and coordinated manner.

The two retailers on the pages that follow, both Lippincott & Margulies clients, vividly demonstrate how a Total Communications approach can provide that competitive edge, even against the giants in the industry.

Fast Fare

A Convenience Store Chain Builds a Competitive Edge



Fast Fare, formerly Kwik Pik, is a medium size, but highly successful convenience store chain based in North Carolina. Founded in 1962, it has grown from a $15 million dollar company to become the largest convenience store operator in the state, and now ranks in the top 20 nationally.

When Kwik Pik began to expand, it looked beyond its own state borders for new store locations. It then discovered that its retail name was not legally available in several adjoining states. As a consequence, it was necessary to introduce new stores in those states under totally different identities, with names like K.P. Food Stores, Thrift-T-Mart, Korner Kupboard, and others. This fragmentation of identity created several serious problems.

First, it caused an inefficient use of communications dollars, particularly in advertising and promotion. Additionally, in those areas where Kwik Pik had established strong equities in the minds of consumers, no transfer of those benefits was possible into other areas where a different identity was used.

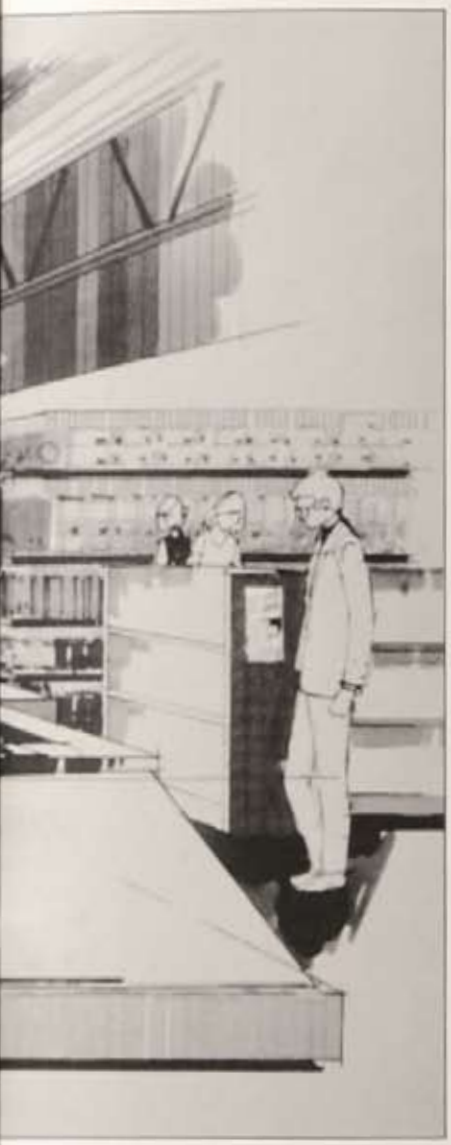
Compounding the problem, Kwik Pik, in its signage and other communicative elements, presented itself in a variety of graphic formats. Store exteriors ranged from modern to colonial in appearance. Store interiors had been developed without a consistent, planned presentation.

To bring its communicative impact up to the level of its operational efficiency,

Exterior of a new prototype store created for Fast Fare by Lippincott & Margulies. *Inset*, former Kwik Pik store.

Kwik Pik turned to Lippincott & Margulies for assistance. Following an audit, it was recommended that Kwik Pik should seek a single new identity that would be uniquely its own. The criteria for a new identity were then established, encompassing specific attributes that Kwik Pik desired to communicate to its audiences—fast, friendly, value-oriented, aggressive and efficient. A name-development program followed and resulted in a new name for the stores and the corporation: *Fast Fare*, which is now protectable in all 50 states.

A unified graphic stance was then created for Fast Fare, which could be reflected in a variety of communicative channels. The new Fast Fare "Look" was designed to be highly visible, upwards in momentum, distinctive and easy to remember.



Prototype interior design emphasizes directional graphics and new merchandising units.

Following this, Fast Fare requested that Lippincott & Margulies design a new prototype store, both interior and exterior. (It is shown on the adjacent pages in this section.) The new store is entirely functional, yet, at the same time, gives a distinctive and memorable impression.

Inside, the customer can find what he or she wants quickly. Directional graphics play an important role in pointing the way to the merchandise, which at the same time make an imaginative statement of their own. The cooler case, responsible for the majority of sales in the store, has been positioned at an unusual 45° angle. To reach it, customers now must walk through the Fast Snack section, thus allowing a greater opportunity for impulse sales. A unique cigarette merchandiser has also been incorporated into the service counter, providing high visibility to shoppers entering

Fast Fare identity implemented on snack food packaging and signage, including gasoline service island.

the store. The store is brightly lit with strip fluorescent units hung from exposed girders.

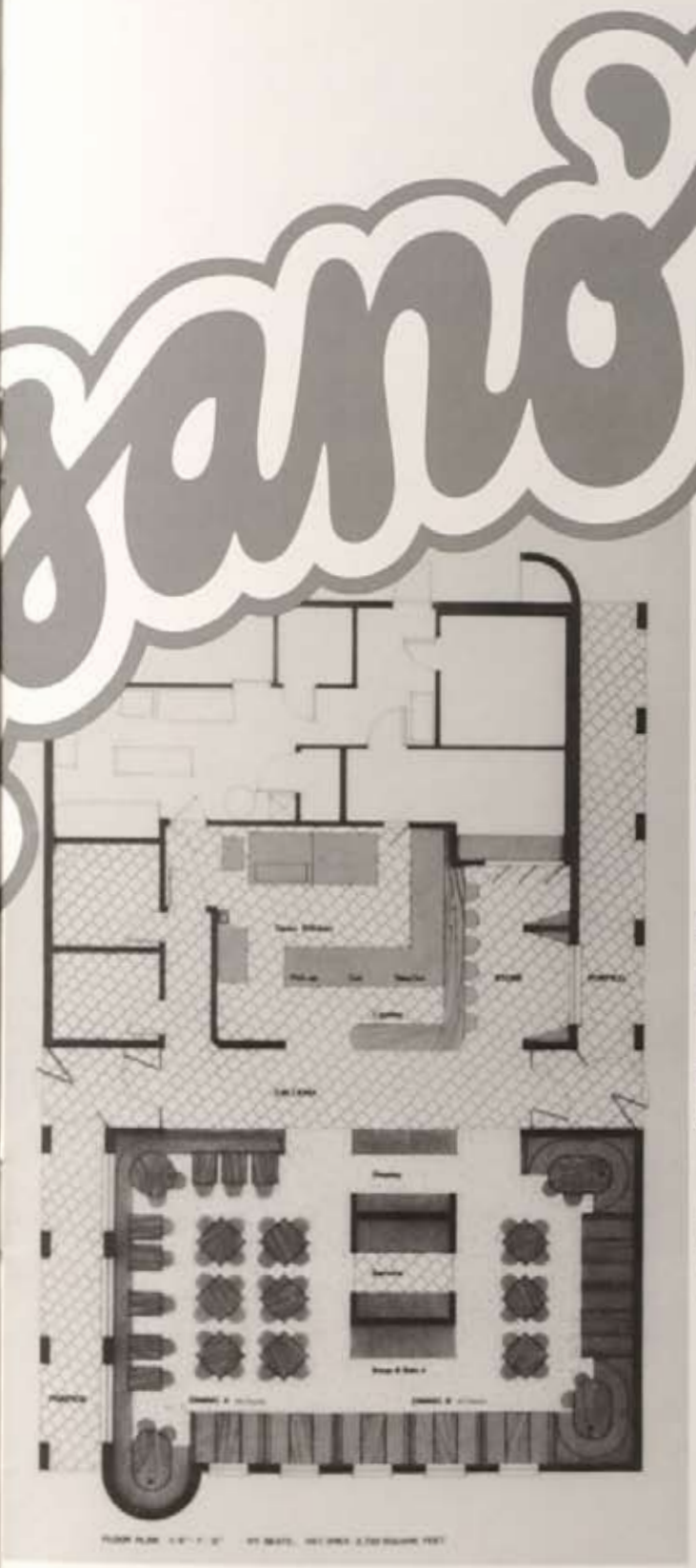
The exterior of the new unit, incorporating natural materials, is handsome and highly visible. Significantly, the prototype has been designed so that pre-existing units can literally be "slipcovered" in the same format to provide a coordinated presentation, uniquely Fast Fare. As evidence of its confidence in the new program, company president George Frazier, Jr. has ordered another 40 stores to be constructed in the new format.

Cassano's

Heightened Image Appeal for a Small Fast-Food Marketer

Emerging evidence of the growing communications sophistication of smaller fast-food retailers is Cassano's, Inc., a $19 million chain headquartered in Columbus, Ohio and marketing primarily in the Midwest. With more than 100 units, Cassano's primary product is pizza, although seafood in recent years has also become an important part of its menu.

Even though successful from an operational point of view, several problems confronted Cassano's when it engaged Lippincott & Margulies as consultants. First was the problem of a retail identification.



Facing, prototype free-standing unit for Cassano's, with interior plan and environmental design (top). *Above*, former Pizza King unit.

Over the years, store presentation had become fragmented and disparate, and did not positively "position" Cassano's in the marketplace. Next was the desire to create a franchise development program. The great majority of units up to this time had been company owned.

Under its former identity stance, the chain had marketed itself as Vic Cassano Pizza King. In addition to being somewhat restrictive in terms of product, the name, Pizza King, was not legally available in a number of states, thus limiting market expansion. Another identity element that appeared on many signs was Mom Donisi, who had been a co-founder of the operation. And, finally, in recent years Cassano's had profitably added

Implementation of an in-line unit, encompassing new signage and interior decor.

seafood products to its operations base under the identity of London Bobby Fish & Chips. These elements, combined with the phrase, Family Restaurant, and a "little King" caricature, fought with each other for the consumer's attention and contributed to a general image fragmentation.

The most vital question to be resolved, however, was exactly how Cassano's Pizza King and London Bobby's Fish & Chips should be positioned. Where did it best fit in the spectrum of consumer dining—as a fast-food takeout, an ethnic eating establishment, a luncheon and snack chain, a family restaurant or some other designation?

Following a careful investigation, it was recommended that a sit-down

family restaurant orientation offered the greatest growth possibilities and dovetailed well with Cassano's current expertise and corporate objectives, including franchise expansion. A marketing strategy and criteria for the new image were established, and from this a new name was developed: simply, *Cassano's Pizza & Seafood*.

The arguments for this approach were several. The names, Pizza King and London Bobby, did not effectively lend themselves to a family restaurant orientation, and added to the fragmentation. But in the primary identity element of the name, Cassano's, there was considerable flexibility for the future. If Pizza or Seafood were dropped as primary products, other food

elements could easily be added. Finally, there was a strong recognition and equity already existent in the Cassano name.

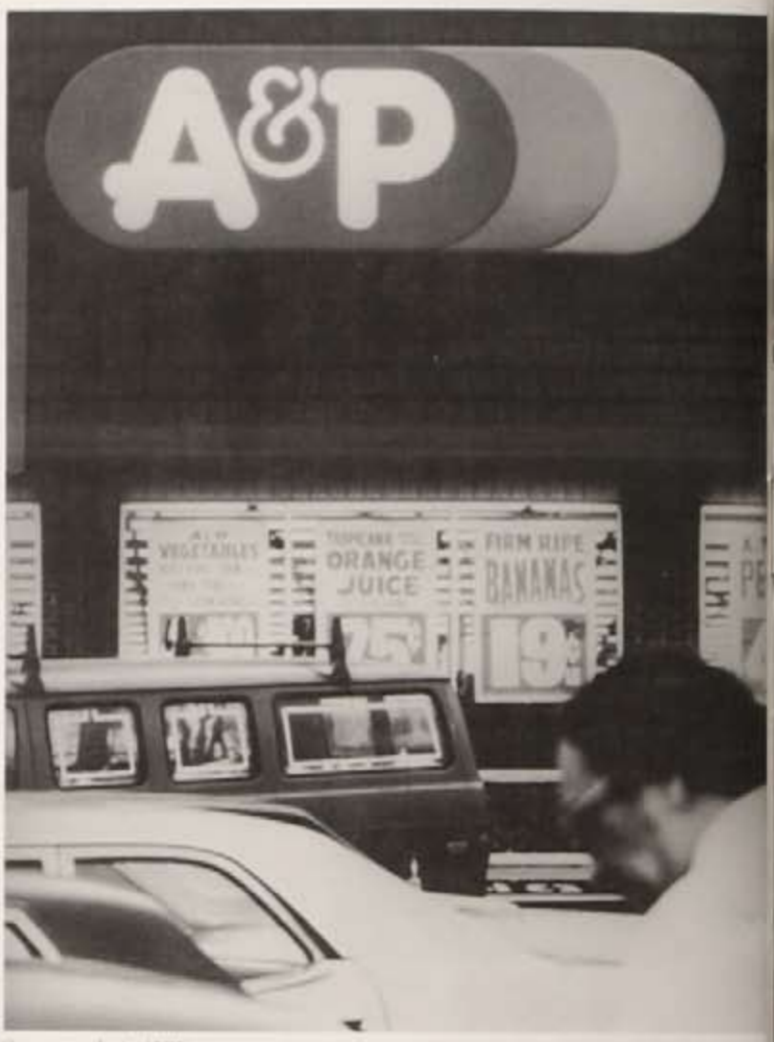
Both Pizza King and London Bobby were relegated to a brand status and ased only inside the restaurant as promotional statements. The identity elements of Mom Donisi and the "little King" caricature were no longer considered essential image elements and were retired.

A new graphic stance was created for Cassano's Pizza and Seafood that reflected all the appropriate imagery elements of a family-oriented restaurant. This new look has been implemented over a wide range of communicative elements including a franchise promotional program.

Lippincott & Margulies also developed a new prototype restaurant for Cassano's, interior and exterior, adaptable to both in-line and free-standing units. The Mediterranean style of this new system provides a unified and memorable environment that serves to enhance the dining experience. This new environmental system is now being implemented in both new and existing units.

The outcome of the program for Cassano's has been a distinctive and consumer-oriented stance that is now helping the chain achieve its growth, profit and image objectives. Additionally, it is reported that the new franchise promotional program is achieving positive results.

Lippincott & Margulies has developed communications programs for a number of retail companies. In addition to the case histories reviewed in this issue of *Sense*, recent work for retail clients, worldwide, is displayed on the following pages.



Supermarkets *(US)*

Maternity and infant's stores *(United Kingdom)*

Automobile dealers *(North and South America)*

Supermarkets *(France)*

Fast-food restaurants *(US)*

General merchandise and variety stores *(Canada)*

Travel agencies *(worldwide)*

Housewares stores *(United Kingdom)*

General merchandise and variety stores *(United Kingdom)*

Gasoline service stations *(Belgium)*

Travel agencies *(Germany)*

Supermarkets *(United Kingdom)*

Department stores *(US)*

Automobile dealers *(worldwide)*

Gasoline service stations *(United Kingdom)*

Readers of this issue will find the following of special interest:

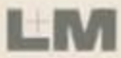
Sense 77
Corporate Name Selection
the first in-depth look at the complexities of corporate nomenclature, with a unique review of the benefits that may accompany a corporate name development program.

Sense 76
Multi-Disciplined Marketing
Case histories of how A&P, Hardee's, Helene Curtis, Equitable Life, Amcord and others use a variety of marketing disciplines to increase corporate impact and sales.

Sense 73
Environmental Design:
The New Discipline For Heating Up Sales
Marketing's newest professional discipline is explained, with six detailed case histories, in this L&M survey of how innovative businessmen nationwide are working to increase sales by creating total selling environments.

Sense 71
Communicating Credibility to Financial Audiences
When credibility plunges, P/E ratios suffer and problems multiply. What is the answer? Are the customary public relations techniques sufficient, or is a new approach needed, one that comprehends a company's total stance and positioning? An informative essay is bolstered by personal interviews with leading financial authorities.

Copies may be obtained from Lippincott & Margulies, at the addresses shown on the back cover.



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